

Bill No. SB 1152

Barcode 415452

Proposed Committee Substitute by the Committee on Governmental Oversight and Productivity

1 A bill to be entitled

2 An act relating to retirement; amending s.

3 121.71, F.S.; revising the payroll contribution

4 rates for the membership classes of the Florida

5 Retirement System for the state fiscal years

6 effective July 1, 2005, and July 1, 2006;

7 amending s. 121.40, F.S.; revising the payroll

8 contribution rate for the Institute of Food and

9 Agricultural Sciences, effective July 1, 2005;

10 providing a declaration of important state

11 interest; providing an effective date.

12

13 Be It Enacted by the Legislature of the State of Florida:

14

15 Section 1. Section 121.71, Florida Statutes, is

16 amended to read:

17 121.71 Uniform rates; process; calculations; levy.--

18 (1) In conducting the system actuarial study required

19 under s. 121.031, the actuary shall follow all requirements

20 specified thereunder to determine, by Florida Retirement

21 System employee membership class, the dollar contribution

22 amounts necessary for the forthcoming fiscal year for the

23 defined benefit program. In addition, the actuary shall

24 determine, by Florida Retirement System membership class,

25 based on an estimate for the forthcoming fiscal year of the

26 gross compensation of employees participating in the optional

27 retirement program, the dollar contribution amounts necessary

28 to make the allocations required under ss. 121.72 and 121.73.

29 For each employee membership class and subclass, the actuarial

30 study shall establish a uniform rate necessary to fund the

31 benefit obligations under both Florida Retirement System

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1 retirement plans, by dividing the sum of total dollars
 2 required by the estimated gross compensation of members in
 3 both plans.

4 (2) Based on the uniform rates set forth in subsection
 5 (3), employers shall make monthly contributions to the
 6 Division of Retirement, which shall initially deposit the
 7 funds into the Florida Retirement System Contributions
 8 Clearing Trust Fund. A change in a contribution rate is
 9 effective the first day of the month for which a full month's
 10 employer contribution may be made on or after the beginning
 11 date of the change.

12 (3) Required employer retirement contribution rates
 13 for each membership class and subclass of the Florida
 14 Retirement System for both retirement plans are as follows:

	Percentage of Gross Compensation, Effective July 1, <u>2005</u> 2004	Percentage of Gross Compensation, Effective July 1, <u>2006</u> 2005
20 Membership Class		
22 Regular Class	6.20%	<u>9.53%</u> 9.98%
23 Special Risk Class	17.34%	<u>21.91%</u> 22.16%
24 Special Risk Administrative		
25 Support Class	8.73%	<u>12.39%</u> 12.55%
26 Elected Officers' Class -		
27 Legislators, Governor,		
28 Lt. Governor,		
29 Cabinet Officers,		
30 State Attorneys,		
31 Public Defenders	11.30%	<u>14.86%</u> 15.82%

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1	Elected Officers' Class -		
2	Justices, Judges	17.46%	<u>20.43%</u> 20.78%
3	Elected Officers' Class -		
4	County Elected Officers	14.04%	<u>17.00%</u> 17.73%
5	Senior Management Class	8.18%	<u>13.27%</u> 11.64%
6	DROP	8.00%	<u>11.74%</u> 11.56%

7

8 (4) The state actuary shall recognize and use an

9 appropriate level of available excess assets of the Florida

10 Retirement System Trust Fund to offset the difference between

11 the normal costs of the Florida Retirement System and the

12 statutorily prescribed contribution rates.

13 Section 2. Subsection (12) of section 121.40, Florida

14 Statutes, is amended to read:

15 121.40 Cooperative extension personnel at the

16 Institute of Food and Agricultural Sciences; supplemental

17 retirement benefits.--

18 (12) CONTRIBUTIONS.--

19 (a) For the purposes of funding the supplemental

20 benefits provided by this section, the institute is authorized

21 and required to pay, commencing July 1, 1985, the necessary

22 monthly contributions from its appropriated budget. These

23 amounts shall be paid into the Institute of Food and

24 Agricultural Sciences Supplemental Retirement Trust Fund,

25 which is hereby created.

26 (b) The monthly contributions required to be paid

27 pursuant to paragraph (a) on the gross monthly salaries, from

28 all sources with respect to such employment, paid to those

29 employees of the institute who hold both state and federal

30 appointments and who participate in the federal Civil Service

31 Retirement System shall be as follows:

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2	Dates of Contribution	Percentage
3	Rate Changes	Due
4	July 1, 1985, through December 31, 1988	6.68%
5	January 1, 1989, through December 31, 1993	6.35%
6	January 1, 1994, through December 31, 1994	6.69%
7	January 1, 1995, through June 30, 1996	6.82%
8	July 1, 1996, through June 30, 1998	5.64%
9	July 1, 1998, through June 30, 2001	7.17%
10	July 1, 2001, through June 30, 2003	6.96%
11	Effective July 1, 2003, through June 30,	13.83%
12	<u>2005</u>	
13	<u>Effective July 1, 2005, through June 30,</u>	<u>13.83%</u>
14	<u>2007</u>	
15		

16 Section 3. The Legislature finds that a proper and
 17 legitimate state purpose is served when employees and retirees
 18 of the state and its political subdivisions, and the
 19 dependents, survivors, and beneficiaries of such employees and
 20 retirees, are extended the basic protections afforded by
 21 governmental retirement systems. These persons must be
 22 provided benefits that are fair and adequate and that are
 23 managed, administered, and funded in an actuarially sound
 24 manner, as required by Section 14, Article X of the State
 25 Constitution, and part VII of chapter 112, Florida Statutes.
 26 Therefore, the Legislature determines and declares that this
 27 act fulfills an important state interest.

28 Section 4. This act shall take effect July 1, 2005.
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